



MULTISTATE TAX COMMISSION

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To:	Income and Franchise Tax Subcommittee
From:	Roxanne Bland, MTC Counsel
Date:	February 28, 2014
Subject:	Report on Pending Federal Legislation, 113 th Congress

Legislation Introduced:

1. H.R. 1129, Mobile Workforce State Income Tax and Simplification Act of 2013

Limits state taxation of the wages or other remuneration of any employee who performs duties in more than one state to: (1) the state of the employee's residence; and (2) the state in which the employee is present and performing employment duties for more than 30 days. Exempts from the definition of "employee" for purposes of this Act a professional athlete or entertainer or certain public figures. Introduced by Rep. Hank Coble (R-NC) on 3/13/13.

2. H.R. 2992, Business Activity Tax Simplification Act of 2013 (BATSA)

Expands the federal prohibition against state taxation of interstate commerce to: (1) include taxation of out-of-state transactions involving all forms of property, including intangible personal property and services (currently, only sales of tangible personal property are protected); and (2) prohibit state taxation of an out-of-state entity unless such entity has a physical presence in the taxing state that is not "limited" or "transient." Sets forth criteria for determining that a person has a physical presence in a state. Introduced by Rep. James Sensenbrenner, R-WI on 8/2/13. A hearing was held on February 26, 2013.

3. Multi -State Worker Tax Fairness Act of 2014

Prohibits states from taxing the income of a nonresident employee who is not physically present in the state. States may tax a nonresident on grounds 1) the individual is working at home for convenience; and 2) that the employee working at home or at a home office fails the convenience of the employer test or any other test. Introduced by Rep. Jim Himes, D-CT on 2/25/14.